



Too Late to Buy Air Canada (TSX:AC) Stock?

Description

Yes and no. The best time to buy **Air Canada** ([TSX:AC](#)) was in March 2020, when the stock was trading around \$12 per share. If you had bought into the airline now, you would have already grown your capital by about 100%. You could have even earned about 139% profit if you'd sold the company when it hit its peak in March 2021.

Still, it's not too bad a time to buy Air Canada, especially if you believe that the airline stock is poised to reach its pre-pandemic valuation. At its current price, the stock is positioned to double your capital if you buy now.

[The airline](#) is still burning through a lot of cash on a daily basis, but the number is expected to drop quite significantly in the next earnings result. However, there is a huge difference between operating at no loss and operating at or near its pre-pandemic capacity, and it's too early to predict how long the recovery to pre-pandemic levels would take.

Global airline industry

The global airline industry suffered a lot in 2021. The collective loss for the year (for the world's biggest airlines) is estimated to be about US\$126 billion, and the situation is not expected to fully "heal" in 2021 because the same airlines are projected to lose another US\$48 billion this year.

Qatar Airways, which was crowned the best airline for the sixth consecutive year, booked losses of US\$4.1 billion in the fiscal year 2020/2021.

But that was last year. With the fear of the pandemic abating, the anticipation of the next travel season is rising. And that would be the benchmark for the recovery of the global airline industry. If 2022 starts with strong demand, it will be a good indication of a year of true recovery for the airline sector and might be the trigger that sends Air Canada stock rising.

Air Canada 2022

For almost all of 2021, the [Air Canada](#) stock has hovered between \$20 and \$30 per share (yet). The stock might reach new heights when the next earnings result is announced, and it indicates that the bleeding has stopped, but till then, another macro catalyst that can trigger the stock growth is unlikely to come into play.

There is also little reason to believe that the stock might go down any time soon and fall below \$20. So if you are not buying Air Canada for its recovery in hopes that you might be able to get it for a more heavily discounted price, you should reassess the situation.

Foolish takeaway

Right now is as good a time as any to buy Air Canada for the 100% growth that its stock “promises.” It might happen right after the summer season peak as more of Air Canada’s fleet comes online again. Or it may take another year or so of recovery and investors waiting for the next drop. This once-beloved [growth stock](#) might be a good buy yet, but it won’t be so much once it crosses the \$30 mark on its way up.

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